



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-81]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107 or Kathy Valadez, (703) 697-9217; DSCA/SA&E-RAN.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittal 16-81 with attached Policy Justification and Sensitivity of Technology.

Dated: March 14, 2017.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

MAR 13 2017

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-81, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Singapore for defense articles and services estimated to cost \$66 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 16-81

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Singapore

(ii) Total Estimated Value:

Major Defense Equipment*	\$42 million
Other	<u>\$24 million</u>
TOTAL	\$66 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Two thousand (2,000) XM395 Accelerated Precision Mortar Initiative (APMI) rounds

Non-MDE includes:

U.S. Government and contractor services, mortar tube compatibility testing and/or modification, and other associated support equipment and services.

(iv) Military Department: Army (VGG)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached.

(viii) Date Report Delivered to Congress: 13 March 2017

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Singapore – XM395 Accelerated Precision Mortar Initiative (APMI) Rounds

The Government of Singapore has requested a possible sale of two thousand (2,000) XM395 Accelerated Precision Mortar Initiative (APMI) rounds; U.S. Government and contractor services; and other associated support equipment and services. The total estimated cost is \$66 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be an important partner and force for political stability and economic progress in the Asia Pacific region.

The Government of Singapore intends to use these defense articles and services to modernize its armed forces to meet current and future threats, to strengthen its homeland defense, and to provide greater security for its economic infrastructure. The Government of Singapore will have no difficulty absorbing XM395 APMI mortar rounds into its armed forces.

The proposed sale of this equipment and support does not alter the basic military balance in the region.

The prime contractor will be Orbital ATK. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require U.S. Government personnel or U.S. contractor representatives to travel to Singapore for a period of one (1) week for equipment fielding and acceptance testing by the Quality Assurance Team.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 16-81

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The XM395 Accelerated Precision Mortar Initiative (APMI) is a Global Position System (GPS), Precise Positioning Service (PPS) guided 120mm high explosive mortar cartridge capable of enemy defeat with low collateral damage. It utilizes a Precision Light-Weight Universal Mortar Setting System (PLUMSS) that contains an Improved Platform Integration kit (iPIK) to load GPS coordinates, mission trajectory and fuze mode data into the mortar round. The GPS PPS crypto key is loaded into the iPIK by system key loader PYQ-10. Both the XM395 and the iPIK contain a Selective Availability Anti-Spoofing Module (SAASM). The XM395 has 90% commonality with the Army's M1156 Precision Guided Kit. The overall system classification is SECRET.

2. XM395 utilizes the Army's M782 Multi-Option for Artillery (MOFA) Proximity Height of Burst (HOB) Technology. The HOB sensor is comprised of components with technologies deemed as state of the art, requiring specialized production skills. The sensitive/critical technology is primarily in the design, development, production and manufacturing of the components (integrated circuits and assembly), and the integration methodology required to integrate those components onto an assembly to process embedded data (the software – algorithm – working parameters). The overall system classification is SECRET.

3. Disclosure of this technology could result in an adversary developing countermeasures, thus lessening the effect of the projectile. Disclosure of test data, countermeasures, vulnerability/susceptibility analyses, and threat definition could allow reverse engineering and use by an adversary for possible use against U.S. and Coalition forces. Compromise could jeopardize the U.S. inventory through jammer development by adversaries. The risk of compromise has been assessed as moderate. Risk is reduced for fuze/munitions if adequately controlled and protected in storage and on the battlefield. Risk is mitigated by the prevention of disclosure of sensitive classified information (the know-how, software, and associated documentation).

4. A determination has been made that the recipient country can provide the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to Singapore.

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